

**DEPARTMENT OF HEALTH & HUMAN SERVICES**

Centers for Medicare & Medicaid Services  
Center for Medicaid & CHIP Services  
233 North Michigan Ave., Suite 600  
Chicago, Illinois 60601



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**Financial Management Group**

December 15, 2020

Tara LeBlanc  
Interim Medicaid Executive Director  
Louisiana Medicaid Program  
Louisiana Department of Health  
Bureau of Health Services Financing  
628 North Fourth Street  
Post Office Box 91030  
Baton Rouge, Louisiana 70821-9030

RE: TN 20-0018

Dear Ms. LeBlanc:

We have reviewed the proposed Louisiana State Plan Amendment (SPA) to Attachment 4.19-B, 20-0018, which was submitted to the Centers for Medicare & Medicaid Services (CMS) on November 18, 2020. The purpose of this SPA is to amend the reimbursement rates for outpatient hospital services.

Based upon the information provided by the State, we have approved the amendment with an effective date of January 1, 2021. We are enclosing the approved CMS-179 and a copy of the new state plan pages.

If you have any additional questions or need further assistance, please contact Tamara Sampson at 214-767-6431 or [Tamara.Sampson@cms.hhs.gov](mailto:Tamara.Sampson@cms.hhs.gov).

Sincerely,

*Todd McMillion*

Todd McMillion  
Director  
Division of Reimbursement Review

Enclosures

|  |                              |
|--|------------------------------|
| 1. TRANSMITTAL NUMBER<br><b>20-0018</b>                                    | 2. STATE<br><b>Louisiana</b> |
| 3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID) |                              |

4. PROPOSED EFFECTIVE DATE  
**January 1, 2021**


☐ NEW STATE PLAN      ☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN      ☒ AMENDMENT

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|--|--|
| 6. FEDERAL STATUTE/REGULATION CITATION | 7. FEDERAL BUDGET IMPACT   |
| 42 CFR 447 Subpart C                   | a. FFY <u>2021</u> \$ <u>790,004</u><br>b. FFY <u>2022</u> \$ <u>1,538,644</u> |

|  |   |
|--|---|
| <p>8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT</p> <p><b>Attachment 4.19-B, Item 2a, Page 1a(3)</b></p> <p><b>Attachment 4.19-A, Item 2a, Page 2a</b></p> <p><b>B</b></p> | <p>9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (<i>If Applicable</i>)</p> <p><b>Same (TN 19-0026)</b></p> <p><b>Same (TN 19-0026)</b></p> |
|--|---|

11. GOVERNOR'S REVIEW (Check One)

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|--|---|
| <input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT         | <input checked="" type="checkbox"/> OTHER, AS SPECIFIED |
| <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED        | The Governor does not review State Plan material.       |
| <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL |   |

|  |   |
|--|---|
| 12. SIGNATURE OF STATE AGENCY OFFICIAL<br> | 16. RETURN TO<br><b>Tara A. LeBlanc</b><br><b>Interim Medicaid Executive Director</b><br><b>State of Louisiana</b><br><b>Department of Health</b><br><b>628 North 4<sup>th</sup> Street</b><br><b>P.O. Box 91030</b><br><b>Baton Rouge, LA 70821-9030</b> |
| 13. TYPED NAME<br><b>Ruth Johnson, designee for Dr. Courtney N. Phillips</b>   |   |
| 14. TITLE<br><b>Secretary</b>  |   |
| 15. DATE SUBMITTED<br><b>November 18, 2020</b>   |   |

|                                 |                                 |
|---------------------------------|---------------------------------|
| 17. DATE RECEIVED<br>11/18/2020 | 18. DATE APPROVED<br>12/15/2020 |
|---------------------------------|---------------------------------|

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|---|---|
| 19. EFFECTIVE DATE OF APPROVED MATERIAL<br>1/1/2021 | 20. SIGNATURE OF REGIONAL OFFICIAL<br><i>Todd McMillion</i> |
| 21. TYPED NAME<br>Todd McMillion                    | 22. TITLE<br>Director, Division of Reimbursement Review     |

23. REMARKS

\*State requested Pen and Ink change on November 23, 2020 to CMS-179, Block 8

STATE OF LOUISIANA

PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICES

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES - OTHER TYPES OF CARE OR SERVICE LISTED IN SECTION 1905 (A) OF THE ACT THAT ARE INCLUDED IN THE PROGRAM UNDER THE PLAN ARE DESCRIBED AS FOLLOWS:

Effective for dates of service on or after January 1, 2017, the reimbursement rates paid to non-rural, non-state hospitals for outpatient surgery, shall be increased by 7.03 percent of the rates on file as of December 31, 2016. Our Lady of the Lake Regional Medical Center shall be exempted from this rate increase.

Effective for dates of service on or after January 1, 2018, the reimbursement rates paid to non-rural, non-state hospitals for outpatient surgery, shall be increased by 4.82 percent of the rates on file as of December 31, 2017. Hospitals participating in public-private partnerships shall be exempted from this rate increase.

Effective for dates of service on or after January 1, 2019, the reimbursement rates paid to non-rural, non-state hospitals for outpatient surgery shall be increased by 11.56 percent of the rates on file as of December 31, 2018. Hospitals participating in public-private partnerships shall be exempted from this rate increase.

Effective for dates of service on or after January 1, 2020, the reimbursement rates paid to non-rural, non-state hospitals for outpatient surgery shall be increased by 3.2 percent of the rates on file as of December 31, 2019. Hospitals participating in public-private partnerships shall be exempted from this rate increase.

Effective for dates of service on or after January 1, 2021, the reimbursement rates paid to non-rural, non-state hospitals for outpatient surgery shall be increased by 3.2 percent of the rates on file as of December 31, 2020. Hospitals participating in public-private partnerships shall be exempted from this rate increase.

Current HCPS codes and modifiers shall be used to bill for all outpatient hospital surgery services.

STATE OF LOUISIANA

PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICES

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES - OTHER TYPES OF CARE OR SERVICE LISTED IN SECTION 1905 (A) OF THE ACT THAT ARE INCLUDED IN THE PROGRAM UNDER THE PLAN ARE DESCRIBED AS FOLLOWS:

**State Owned Hospitals**

Effective for dates of services on or after July 1, 2008, state-owned hospitals shall be reimbursed for outpatient clinical laboratory services at 100 percent of the current Medicare Clinical Laboratory fee schedule.

Interim payment shall be one hundred percent of each hospital's cost to charge ratio as calculated from the latest filed cost report. Final reimbursement shall be one hundred percent of allowable cost as calculated through the cost report settlement process. Final cost is identified by mapping outpatient charges to individual cost centers on the Medicare Hospital Cost Report then multiplying such charges by the cost centers' individual cost to charge ratios. Dates of service associated with the charges match the rate year on the Medicare Hospital Cost Report.

Effective for dates of services on or after August 1, 2012, the reimbursement rate paid to state-owned hospitals for outpatient surgery, outpatient clinic services, outpatient laboratory services and outpatient hospital services, other than clinical diagnostic laboratory services, outpatient surgeries, rehabilitation services and outpatient hospital facility fees shall be reduced by 10 percent of the fee schedule on file as of July 31, 2012. Final reimbursement shall be at 90 percent of allowable cost through the cost settlement process.

Effective for dates of service on or after January 1, 2020, the reimbursement rates paid to state-owned hospitals for outpatient surgery and outpatient clinic services shall be increased by 14.67 percent of the rates on file as of December 31, 2019.

Effective for dates of service on or after January 1, 2020, the reimbursement rates paid to state-owned hospitals for outpatient rehabilitation services shall be increased by 3.2 percent of the rates on file as of December 31, 2019.

Effective for dates of service on or after January 1, 2020, the reimbursement rates paid to state hospitals for outpatient hospital services other than clinical diagnostic laboratory services, outpatient surgeries, rehabilitation services and outpatient hospital facility fees shall be increased by 11 percent of the rates on file as of December 31, 2019. Final reimbursement shall be at 100 percent of allowable cost as calculated through the cost report process.

Effective for dates of services on or after January 1, 2021, the reimbursement rates paid to state-owned hospitals for outpatient surgery shall be increased by 3.2 percent of the fee schedule rates on file as of December 31, 2020.

Effective for dates of service on or after January 1, 2021, the reimbursement rates paid to state-owned hospitals for outpatient laboratory services shall be reimbursed at 100 percent of the current Medicare clinical laboratory fee schedule.